

# Consumer Confidence Retreats A Tad

Consumer confidence pulled back a tad from the record high it hit last week, but the latest ABC News/ Money magazine poll shows the public greeting the gyrations on the stock market calmly.

The slight retreat in the poll numbers is statistically insignificant and leaves the consumer confidence index calculated from them just two points lower than last week's record high. This week's polling includes interviews from last week and a huge drop in the stock market. There is nothing in the current data to suggest any significant negative reaction to Wall Street activity.

The ABC/Money index, based on ratings of the economy, personal finances and the buying climate, dropped this week to +29. The index has been this high only twice before - 8/23/98 and 3/22/98.

The index dropped a bit this week because ratings of personal finance and the buying climate slipped. The rating of the economy, the third index element which presumably would be most tied to action on The Street, remained steady and high. In fact, the positive rating of the economy has remained at 71 percent for the last three weeks despite considerable turmoil on the stock markets. That's just five points below its all-time high.

Overall confidence has been soaring all year. This week 71 percent say the economy is in good shape, double the average. Another 68 percent rate their own finances positively and 54 percent call it a good time to buy things.

	Positive Ratings			
	Today	Record high	Record low	12-year avg.
National Economy	71%	76	7	35
Personal Finances	68	70*last week	42	55
Buying	54	55*last week	20	36

INDEX - The ABC/Money Consumer Comfort Index, based on these ratings, stands at +29 on its scale of +100 to -100. It's down two points from last week which was the index's record high. It has been this week's level only twice before: 8/23/98 and 3/22/98.

It's the best year by far for consumer confidence since this survey began in December 1985. The index has averaged +23 this year, compared to an average of +5 in its previous best year, 1997, and a lifetime average of -16.

	ABC/Money Index
This Week	+29
8/30/98	+31 Record high

March 22	+29	
1998 average (to date)	+23	
1997 average	+5	Best full year
1992 average	-44	Worst full year
Feb. 9, 1992	-50	Record low
Average since 12/85	-16	

Call the ABC News Polling Unit, ext. 2621, for a chart tracking the ABC/Money index over time.

GROUPS - Confidence continues to lag in economically vulnerable groups. The index is +40 among men compared to +18 among women, +32 among whites compared to +5 among blacks, +60 in higher-income households but -10 in the lowest and +44 among people who've attended college compared to -5 among high school dropouts.

Here's a closer look at the three components of the ABC/Money index:

NATIONAL ECONOMY- The poll asks: Would you describe the state of the nation's economy these days as excellent, good, not so good or poor? Seventy-one percent say excellent or good, the same as last week. The best was 76 percent Feb. 22; the worst, seven percent in late 1991 and early 1992.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	71	7	64	29	21	8
Avg. since 12/85	35	2	33	65	43	22

PERSONAL FINANCES - The poll asks: Would you describe the state of your own personal finances these days as excellent, good, not so good or poor? Sixty-eight percent say excellent or good, down two points from last week which was a record high. The worst was 42 percent on March 14, 1993.

	Pos. NET	Excel.	Good	Neg. NET	Not good	Poor
This week	68	5	63	32	24	8
Avg. since 12/85	55	4	51	45	32	13

BUYING CLIMATE - The poll asks: Considering the cost of things today and your own personal finances, would you say now is an excellent time, a good time, a not so good time or a poor time to buy the things you want and need? Fifty-four percent say excellent or good, down a point from last week's record high. The worst was 20 percent in fall 1990.

	Pos. NET	Excel.	Good	Neg. net	Not good	Poor
This week	54	3	51	46	32	14
Avg. since 12/85	36	2	33	64	42	22

METHODOLOGY - The ABC News/Money magazine Consumer Comfort Index represents a rolling average based on telephone interviews with about 1,000 adults nationwide each month. This week's results are based on 1,033 interviews in the month ending Sept. 6 and have an error margin of plus or minus three percentage points. Field work by ICR Survey Research of Media, Pa.

The ABC/Money index is derived as follows: The negative response to each index question is subtracted from the positive response to that question. The three resulting numbers are then added and divided by three. The index can range from +100 (everyone positive on all three measures) to -100 (all negative on all three measures). The survey began in December 1985.

Analysis by Jeff Alderman.

ABC News polls are available at ABCNEWS.com on the Internet, at the World Wide Web address [http://www.abcnews.com/sections/us/polnation\\_poll/index.html](http://www.abcnews.com/sections/us/polnation_poll/index.html); and on America Online (keyword "ABC Polls").

09/06/98      This Last 4 Wks 3 Mo. 1 Yr. 12 Mo 12 Mo 12 Mo  
                   Week Week Ago Ago Ago High Low Avg

Group

GENERAL POPULATION:

Overall Index	29	31	28	25	14	31	5	19
State of Economy	42	42	44	44	24	52	8	32
Personal Finances	36	40	34	30	22	40	14	26
Buying Climate	8	10	6	0	-4	10	-14	-2

OVERALL INDEX BY DEMOGRAPHIC GROUPS

Sex:

Men	40	40	39	35	27	40	13	28
Women	18	21	17	13	2	21	-6	9

Age:

18 - 34	25	22	24	12	14	29	-2	14
35 - 44	33	37	21	26	8	37	5	19
45 - 54	27	34	24	26	12	34	2	19
55 - 64	33	34	40	47	26	47	-5	24
65 +	29	32	35	23	14	35	-2	21

Income:

Under \$15K	-10	-6	-11	-35	-43	-6	-46	-29
\$15K To \$24.9K	6	1	6	16	3	16	-28	-4
\$25K To \$39.9K	13	18	16	16	19	25	0	15
\$40K To \$49.9K	60	51	35	46	31	60	6	34
Over \$50K	60	62	60	52	46	66	33	53

Region:									
Northeast	30	24	37	27	10	37	-4	17	
Midwest	33	35	30	33	12	38	6	24	
South	22	27	16	16	20	29	-6	16	
West	32	36	34	24	9	40	2	17	
Race:									
White	32	33	28	28	19	33	10	23	
Black	5	8	15	-7	-10	15	-34	-11	
Politics:									
Republican	44	43	34	38	26	46	16	32	
Democrat	26	29	35	20	7	35	-2	16	
Independent	16	20	18	22	16	30	0	14	
Education:									
< High School	-5	2	14	-17	-5	14	-38	-15	
High Sch. Grad.	22	27	15	12	1	27	-4	11	
College +	44	42	40	45	28	48	22	35	
Home:									
Own	36	39	33	30	21	39	12	26	
Rent	12	10	12	9	-4	13	-18	0	
Marital Status:									
Single	24	30	23	21	8	34	-7	13	
Married	35	36	34	30	23	36	13	26	
Sep/Wid/Div	9	10	8	3	-13	18	-22	-3	
Employ. Status:									
Full-Time	36	37	31	32	25	37	10	26	
Part-Time	26	21	23	15	9	27	-5	11	
Not Employed	16	23	23	12	0	25	-8	9	